

State Office of Administrative Hearings and Rules

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REGULATORY IMPACT STATEMENT

The department/agency responsible for promulgating the administrative rules must complete and submit this form electronically to the State Office of Administrative Hearings and Rules no less than (28) days before the public hearing [MCL 24.245(3)-(4)]. Submissions may be made to soahr_rules@michigan.gov. The SOAHR will review the regulatory impact statement and send its response to the agency (see last page).

A. GENERAL

1. SOAHR #, title, and rule numbers (or rule set range of numbers):

2004-053 SP "Public Safety Officers Benefit Program"
New rules (R 28.14951 – R 28.14966)

2. Identify the relationship of the rule to state and federal statutes and regulations:

These rules are promulgated under the authority of Public Act 46 of 2004, an act to provide compensation to dependents of public safety officers who are killed or who are permanently and totally disable in the line of duty.

3. Identify how the rule compares to an industry standard set by a state or national licensing organization.

There is no industry standard; however, in many respects, these rules mimic a similar federal law and system.

4. Is the rule more restrictive or less restrictive than the federal rule or industry standard?

These rules simply implement the state Act, as there is no federal rule or industry standard.

5. What are the sanctions on the state if the rule is not adopted?

The Act directs the Michigan Commission On Law Enforcement Standards (MCOLES) to promulgate rules to implement 2004 PA 46, therefore MCOLES would be in violation of the statute's directive. Further, failure to promulgate rules would likely result in an Office of Auditor General citation for failure to promulgate rules. The Act is effective and operating. MCOLES and the state will be on firmer ground in defending its decisions with rules in place.

B. GOAL OF RULE:

6. Identify the conduct and its frequency of occurrence that the rule is designed to change:

The rules establish the standards and procedures for administration of the Public Safety Officers Benefit Program. The Act provides for payment of a monetary benefit to survivors of public safety officers who die or are totally and permanently disabled in the line of duty.

7. Identify the harm resulting from the conduct the rule is designed to change and the likelihood it will continue to occur if the rule is not changed:

The rules will clarify the process for administration of the program, thereby reducing confusion and possibly litigation relating to award decisions.

8. Estimate the change in the frequency of the targeted conduct expected from the rule change:

The rules are new, so comparison data is not applicable.

9. Identify any alternatives to regulation by rule that would achieve the same or similar goals:

MCOLES has no alternative to rule promulgation since the Act directs it. Administering the programs by policy would violate the Act and would weaken the regulatory control of the Commission over administration of the fund distribution. Further, the Administrative Procedures Act requires rulemaking if the rule is to be binding on the regulated population and not merely binding on the agency only (as is the case with guidelines). Lastly, there is a much greater potential for costly litigation in defense of Commission actions without these rules.

10. Discuss the feasibility of establishing a regulatory scheme within the industry independent of state intervention:

The Act does not provide for such an alternative.

C. COSTS TO GOVERNMENT UNITS:

11. Estimate the cost of rule imposition on the department or agency promulgating the rule, including the costs of equipment, supplies, labor, and increased administrative costs for initial imposition of the rule and any ongoing monitoring:

The costs to the MCOLES for promulgating rules includes a percentage of wages of the employees working on the rule-drafting, working with constituents, as well as the direct costs of printing, duplicating, and distributing drafts. The costs related to implementation are relatively minor, since the costs are part of administering the programs, which are already in place and on-going.

12. Estimate the cost of rule imposition on other state or local governmental agencies, including the cost of equipment, supplies, labor, and increased administrative costs, in both the initial imposition of the rule and any ongoing monitoring:

State and local agencies that employ law enforcement officers will incur minimal additional costs related to the imposition of the proposed rules. These costs would be related to providing information relative to the circumstances of the officer's death or injury.

D. COSTS TO REGULATED INDIVIDUALS:

13. Estimate the actual statewide compliance costs of the rule to individuals, including the costs of education, training, application fees, examination fees, license fees, new equipment or increased labor, exclusive of those costs identified in section C above:

These rules do not regulate individuals, per se. These rules will require the families of the officers to submit certain information (i.e. death certificate, marriage license, etc.) to substantiate claims, but these costs are expected to be minimal.

14. Identify any compliance costs requiring reports and the estimated cost of their preparation by individuals who would be required to comply with the rule:

These rules do not regulate individuals.

15. Estimate the cost of any legal, consulting, and accounting services and any other administrative expenses individuals will incur in complying with the rule:

These rules do not regulate individuals.

16. Estimate the number of individuals the rule affects:

These rules do not regulate individuals, per se. It is estimated that the rules impact 5-10 survivors per year, as well as the public safety agencies which employ the deceased/incapacitated officers.

17. Will the rule have a disproportionate impact on individuals based on their geographic location?

The rules do not differentiate based on geographic region; therefore, there is no disproportionate impact.

E. COSTS TO BUSINESSES:

- 18. Estimate the actual statewide compliance costs of the rule to specifically include small businesses, including the costs of equipment, supplies, labor, training, application fees, permit fees, supervisory costs, exclusive of those identified in sections C and D above:**

Businesses, including small businesses, are not regulated by these rules. These rules affect the spouses/survivors of deceased/incapacitated officers, as well as the governmental agencies that employed the officers.

- 19. Identify any reports the rule requires and the estimated cost of their preparation by businesses; specifically include small businesses:**

These rules do not impact businesses.

- 20. Estimate the cost of any legal, consulting, and accounting services and any other administrative expenses businesses will incur in complying with the rule; specifically include small businesses:**

These rules do not impact businesses.

- 21. Estimate the number of businesses the rule affects:**

These rules do not impact businesses.

- 22. Identify any disproportionate impact the rule may have on small businesses because of their size or geographic location:**

These rules do not impact businesses.

- 23. Discuss the ability of small businesses to absorb the costs estimated above without suffering economic harm and without adversely affecting competition in the marketplace:**

These rules do not impact businesses, regardless of size.

- 24. Estimate the cost of the agency enforcing or administering the rule to exempt or set lesser standards for small businesses:**

These rules do not impact businesses, regardless of size.

- 25. Determine the impact on the public interest of exempting or setting lesser standards for small businesses:**

These rules do not impact businesses; therefore, there is no purpose for exempting small businesses or setting lesser standards.

- 26. Explain how the agency reduced the economic impact of the rule on small businesses, as MCL 24.240 requires, or discuss why such a reduction was not feasible:**

These rules do not impact businesses, regardless of size.

27. Discuss whether and how the agency has involved both industry and small business in the development of the rule:

These rules do not impact businesses, regardless of size.

F. BENEFITS OF RULE:

28. Estimate the primary and direct benefits of the rule, including but not limited to the rule's impact on business competitiveness, the environment, worker safety, and consumer protection.

The proposed rules establish the standards and procedures for administering the Public Safety Officers Benefit Program, as prescribed by 2004 PA 46. MCOLES and the state will be on firmer ground in defending its disbursement decisions with specific standards and procedures in place.

29. Estimate the secondary or indirect benefits of the rule, including spin-off benefits to business, the environment, workers, and consumers:

The proposed rules implement 2004 PA 46, clarify and simplify compliance, and do not impose any additional costs. The rules will assist in providing benefits to the survivors of deceased officers and to officers totally and permanently disabled in the line of duty.

30. Are the direct and indirect benefits of the rule likely to justify the cost?

The rules are cost/revenue neutral.

31. Estimate the cost reductions to government, individuals, and businesses as a result of the rule:

The rules are cost/revenue neutral.

32. Estimate the increased revenues to state or local government units as a result of the rule:

The rules are cost/revenue neutral.

33. Identify the sources you relied upon in calculating your cost and benefit responses:

MCOLES and internal MSP analysis of the requirements for compliance.

Reviewed by SOAHR Representative:

Norene Lind, Administrative Rules Manager

SOAHR Response:

Approval	<input checked="" type="checkbox"/>	
Disapproval	<input type="checkbox"/>	Explain:
More information needed	<input type="checkbox"/>	Explain:
Date: 5/17/05		SOAHR #: 2004-053 SP